HOUSE BILL No. 1402

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5; IC 6-3.6-8-9.

Synopsis: Local income tax housing zone credit. Provides a refundable tax credit against a taxpayer's local option income tax liability for a taxable year if: (1) the taxpayer resides in credit eligible housing during the taxable year; and (2) the date on which the taxpayer's residence is determined for local option income tax purposes occurs within the allowable credit period of the credit eligible housing.

Effective: January 1, 2016 (retroactive); January 1, 2017.

Riecken

January 13, 2016, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1402

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 6-3.5-1.1-30 IS ADDED TO THE INDIANA
2	CODE AS A NEW SECTION TO READ AS FOLLOWS
3	[EFFECTIVE JANUARY 1, 2016 (RETROACTIVE)]: Sec. 30. (a)
4	This section applies only to taxable years beginning after December
5	31, 2015, and before January 1, 2017.
6	(b) The following definitions apply throughout this section:
7	(1) "Allowable credit period" for credit eligible housing
8	means the period:
9	(A) beginning on the date the credit eligible housing was
10	first occupied by a lawful owner or tenant after the
11	declaration described in subdivision (2)(B); and
12	(B) ending on the earlier of:
13	(i) the fifth anniversary of the date determined under
14	clause (A); or
15	(ii) the date on which the credit eligible housing is again
16	determined to be vacant or abandoned under IC 36-7-37
17	after the date determined under clause (A).



1	(2) "Credit eligible housing" means qualified residential
2 3	property that:
3	(A) is located in a designated housing zone;
4	(B) was declared to be vacant or abandoned under
5	IC 36-7-37; and
6	(C) after the declaration described in clause (B), was
7	subsequently occupied by a lawful owner or tenant.
8	(3) "Designated housing zone" means an allocation area for
9	a housing program established under IC 36-7-14 or
10	IC 36-7-15.1.
11	(c) Each taxable year to which this section applies, a taxpayer
12	is entitled to a credit against the taxpayer's liability for the tax
13	imposed by this chapter for the taxable year in an amount equal to
14	twenty percent (20%) of the taxpayer's liability for the tax imposed
15	by this chapter without regard for this section if:
16	(1) on the day of the taxable year specified under section 16(b)
17	of this chapter, the taxpayer resides in credit eligible housing;
18	and
19	(2) the day of the taxable year specified under section 16(b) of
20	this chapter occurs within the allowable credit period of the
21	credit eligible housing.
22	(d) If the total amount of the credit provided by this section for
23	a taxable year exceeds the amount of the taxpayer's liability for the
24	tax imposed by this chapter for the taxable year after the
25	application of all credits to be applied before the credit provided
26	by this section, the excess amount of the credit shall be refunded to
27	the taxpayer.
28	(e) This section expires January 1, 2017.
29	SECTION 2. IC 6-3.5-6-35 IS ADDED TO THE INDIANA CODE
30	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
31	JANUARY 1, 2016 (RETROACTIVE)]: Sec. 35. (a) This section
32	applies only to taxable years beginning after December 31, 2015,
33	and before January 1, 2017.
34	(b) The following definitions apply throughout this section:
35	(1) "Allowable credit period" for credit eligible housing
36	means the period:
37	(A) beginning on the date the credit eligible housing was
38	first occupied by a lawful owner or tenant after the
39	declaration described in subdivision (2)(B); and
40	(B) ending on the earlier of:
41	(i) the fifth anniversary of the date determined under
42	clause (A); or



1	(ii) the date on which the credit eligible housing is again
2	determined to be vacant or abandoned under IC 36-7-37
3	after the date determined under clause (A).
4	(2) "Credit eligible housing" means qualified residential
5	property that:
6	(A) is located in a designated housing zone;
7	(B) was declared to be vacant or abandoned under
8	IC 36-7-37; and
9	(C) after the declaration described in clause (B), was
10	subsequently occupied by a lawful owner or tenant.
11	(3) "Designated housing zone" means an allocation area for
12	a housing program established under IC 36-7-14 or
13	IC 36-7-15.1.
14	(c) Each taxable year to which this section applies, a taxpayer
15	is entitled to a credit against the taxpayer's liability for the tax
16	imposed by this chapter for the taxable year in an amount equal to
17	twenty percent (20%) of the taxpayer's liability for the tax imposed
18	by this chapter without regard to this section if:
19	(1) on the day of the taxable year specified under section 20(b)
20	of this chapter, the taxpayer resides in credit eligible housing;
21	and
22	(2) the day of the taxable year specified under section 20(b) of
23	this chapter occurs within the allowable credit period of the
24	credit eligible housing.
25	(d) If the total amount of the credit provided by this section for
26	a taxable year exceeds the amount of the taxpayer's liability for the
27	tax imposed by this chapter for the taxable year after the
28	application of all credits to be applied before the credit provided
29	by this section, the excess amount of the credit shall be refunded to
30	the taxpayer.
31	(e) This section expires January 1, 2017.
32	SECTION 3. IC 6-3.5-7-30 IS ADDED TO THE INDIANA CODE
33	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
34	JANUARY 1, 2016 (RETROACTIVE)]: Sec. 30. (a) This section
35	applies only to taxable years beginning after December 31, 2015,
36	and before January 1, 2017.
37	(b) The following definitions apply throughout this section:
38	(1) "Allowable credit period" for credit eligible housing
39	means the period:
40	(A) beginning on the date the credit eligible housing was
41	first occupied by a lawful owner or tenant after the

declaration described in subdivision (2)(B); and



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1	(B) ending on the earlier of:
2	(i) the fifth anniversary of the date determined under
3	clause (A); or
4	(ii) the date on which the credit eligible housing is again
5	determined to be vacant or abandoned under IC 36-7-37
6	after the date determined under clause (A).
7	(2) "Credit eligible housing" means qualified residential
8	property that:
9	(A) is located in a designated housing zone;
10	(B) was declared to be vacant or abandoned under
11	IC 36-7-37; and
12	(C) after the declaration described in clause (B), was
13	subsequently occupied by a lawful owner or tenant.
14	(3) "Designated housing zone" means an allocation area for
15	a housing program established under IC 36-7-14 or
16	IC 36-7-15.1.
17	(4) "Qualified residential property" has the meaning set forth
18	in IC 6-3.5-1.1-1.
19	(c) Each taxable year to which this section applies, a taxpayer
20	is entitled to a credit against the taxpayer's liability for the tax
21	imposed by this chapter for the taxable year in an amount equal to
22	twenty percent (20%) of the taxpayer's liability for the tax imposed
23	by this chapter if:
24	(1) on the day of the taxable year specified under section 17(b)
25	of this chapter, the taxpayer resides in credit eligible housing;
26	and
27	(2) the day of the taxable year specified under section 17(b) of
28	this chapter occurs within the allowable credit period of the
29	credit eligible housing.
30	(d) If the total amount of the credit provided by this section for
31	a taxable year exceeds the amount of the taxpayer's liability for the
32	tax imposed by this chapter for the taxable year after the
33	application of all credits to be applied before the credit provided
34	by this section, the excess amount of the credit shall be refunded to
35	the taxpayer.
36	(e) This section expires January 1, 2017.
37	SECTION 4. IC 6-3.6-8-9 IS ADDED TO THE INDIANA CODE
38	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
39	JANUARY 1, 2017]: Sec. 9. (a) This section applies only to taxable
40	years beginning after December 31, 2016.
41	(b) The following definitions apply throughout this section:

(1) "Allowable credit period" for credit eligible housing



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1	means the period:
2	(A) beginning on the date the credit eligible housing was
3	first occupied by a lawful owner or tenant after the
4	declaration described in subdivision (2)(B); and
5	(B) ending on the earlier of:
6	(i) the fifth anniversary of the date determined under
7	clause (A); or
8	(ii) the date on which the credit eligible housing is again
9	determined to be vacant or abandoned under IC 36-7-37
10	after the date determined under clause (A).
11	(2) "Credit eligible housing" means residential property that:
12	(A) is located in a designated housing zone;
13	(B) was declared to be vacant or abandoned under
14	IC 36-7-37; and
15	(C) after the declaration described in clause (B), was
16	subsequently occupied by a lawful owner or tenant.
17	(3) "Designated housing zone" means an allocation area for
18	a housing program established under IC 36-7-14 or
19	IC 36-7-15.1.
20	(c) Each taxable year to which this section applies, a taxpayer
21	is entitled to a credit against the taxpayer's liability for the tax
22	imposed by this article for the taxable year in an amount equal to
23	twenty percent (20%) of the taxpayer's liability for the tax imposed
24	by this chapter if:
25	(1) on the day of the taxable year specified under section 3(b)
26	of this chapter, the taxpayer resides in credit eligible housing;
27	and
28	(2) the day of the taxable year specified under section 3(b) of
29	this chapter occurs within the allowable credit period of the
30	credit eligible housing.
31	(d) If the total amount of the credit provided by this section for
32	a taxable year exceeds the amount of the taxpayer's liability for the
33	tax imposed by this chapter for the taxable year after the
34	application of all credits to be applied before the credit provided
35	by this section, the excess amount of the credit shall be refunded to
36	the taxpayer.
37	SECTION 5. An emergency is declared for this act.

